

Institutions - Extractive Institutions, Developmental State, & Patronage

Special Topics in Economics | March 03, 2026

AGENDA

- Course Foundation
- Pre-colonial Period
- Developmental State Model
- Key Takeaways

COURSE FOUNDATION

The regions we will discuss will contain:

- South Asia
- East Asia – 7 countries
- Southeast Asia – 11 countries (latest addition: Timor-Leste)

These regions are strategically important because they are theaters of economic advantage due to:

- Transportation routes
- Natural resources
- Geographic position

Note: Power itself is also allocated. Countries allocate their power and resources.

Key Questions Raised

1. If development is ephemeral (temporary/fragile), how is development possible or sustained in these subregions?
2. What are the different development experiences of these countries?
3. What factors shape their economic development?

Polycentrism – regions share common themes but have thematic variations.

– Most Asian countries are still considered developing (based on World Bank income classification), except Japan.

Development models cannot be copied “as is” since there are differences in (1) size, (2)

government structure, (3) institutions, and (4) social context.

Example: Singapore enforces strong political discipline, while Philippines differs since it allows broader political expression.

PRE-COLONIAL PERIOD

- Indonesia – developed a strong maritime culture.
- Philippines – Sulu and Butuan became important trading centers.

Even before colonialism, many Asian countries already had economic systems. Waterways helped in economic development.

Difference of East to Southeast Asia

- East Asia – more civilizational unity; easier mobility across boundaries.
- Southeast Asia – more ethnic diversity; colonizers shaped their borders.

DEVELOPMENTAL STATE MODEL

Countries tried to adapt the developmental state model of Japan after World War II to their own situation. However, since institutions differ in strength, development trajectory also differs.

This adaptation is needed since they have to invest in their own economy for development. Mas madali ‘to kasi iisa lang ng culture at may embedded autonomy na.

East Asian Countries that adapted Japan’s Model

- South Korea – adapted through family companies/chaebols.

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- **Taiwan** – linked industrialization with agricultural development.
- **Singapore** – reclaimed land, built housing, accepted migrant workers, developed the finance sector.

In Southeast Asia, the developmental state model was also attempted to be adopted, but only resulted in **crony capitalism** due to weaker institutions.

ASSOCIATION OF SOUTHEAST ASIAN NATIONS (ASEAN)

ASEAN promotes regional cooperation. It helps member states progress, but not always fully effective.

The member states include Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, Timor-Leste, and Vietnam.

KEY TAKEAWAYS

- No one-size-fits-all approach.
- Global processes also shape development.
- Economic development cannot be separated from social development. To study institutions, also study the society behind them.



The **logo** of bundled rice stalks/palay means unity and cooperation.

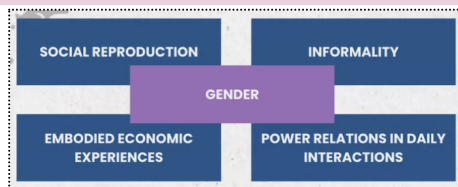
Institutions - Informalities and Underdevelopment

Special Topics in Economics | March 10, 2026

AGENDA

- Everyday Political Economy
- Murdoch School
- Reminders

EVERYDAY POLITICAL ECONOMY



Economic systems rely heavily on unpaid or underpaid labor performed by women, such as caregiving, domestic work, and community support networks. These activities sustain the labor force and economies, yet remain largely invisible in economic analysis.

- Gender is central to the economies of Southeast Asia.
- Political economy can be understood through a microeconomic perspective.
- Many economic and social processes are reproduced and replicated in the household.
- GDP usually focuses on the formal economy, but the informal economy is also important.
- Everyday or embodied economic experiences matter in understanding society.

Social reproduction – Maraming economic and social processes ang “reproduced and replicated” sa household.

Informality – Nakatuon lang ang GDP sa formal economy, pero marami ring economic activities na hindi nare-record like side jobs.

Embodied economic experiences – Iba-iba ang economic experiences ng tao depende sa social position nila.

Power relations in daily interactions – Example nito ang care work. Kahit unpaid, may malaking ambag ito sa economy at sa reproduction of society.

We focus too heavily on states, markets, and institutions often ignoring the daily practices through which economic systems are lived and reproduced.

Elias and Rethel argue that understanding Southeast Asia's political economy requires examining how ordinary people experience, negotiate, and reproduce economic systems in their daily lives. By focusing on households, gender relations, informal work, and financial practices, the everyday political economy approach reveals the human foundations of economic structures.

EAST ASIA	CATEGORY	SOUTHEAST ASIA
mostly developed economies, still experiencing uneven development, higher-income status, economies are strong exporters	current economic landscape	uneven development, significant levels of income inequality among households, middle-income status, economies are strong importers with key exports
came from different colonizers, closed economies, quicker modernity compared to Western economies, developmental state model except China, patronage foothold	economic history	came from different colonizers except for Thailand, colonial legacies and nationalistic political groups defined economic and political institutions, patronage foothold
conglomerates dominate the national economy, informalities are present, location for migrant workers from SEA	social conflicts that impact economic development	informal vs formal economies, size of households, migration and remittances as key drivers of growth, national industries have yet to be fully developed
theater for global tensions, SCS	geopolitical backdrop	site of various ethno-political tensions, SCS
ASEAN+3, Silk Road Initiative, ADB, AIB	regionalism	ASEAN, founding countries include PH, SG, TH, MY, and ID, noodle trade agreements

In the Philippines, elite families in business had a strong influence. During the Marcos Sr. period, relationships with businessmen were important. Even when quotas or expectations were not met, these ties remained. This became associated with crony capitalism.

MURDOCH SCHOOL

Weberian concept of institutions: they can be autonomous from society, eg, "developmental

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states" enjoy what Peter Evans calls "embedded autonomy", meaning they have bureaucratic capacity and insulation from socio-political forces, enough to make policies conducive to development which then explains the rise of Asian tigers (Evans, 1995; Johnson, 1982).

Murdoch School: institutions reflect and entrench existing distributions of power among constellations of social forces - especially class forces - within particular historical junctures. They evolve and operate not through autonomous political decision-making by enlightened and meritocratic bureaucracies, or specific historical legacies, but through dynamic and evolving struggles for power and resources rooted in the structure of the wider national and global political economies (Hameiri and Jones, 2020).

REMINDERS

- Next week is asynchronous
- There will be a given group activity related to this discussion and materials uploaded in GClass.
- The activity will be presented next f2f/synch meeting (max of 10 mins)
- The field learning tour must be conducted within March 16-31